



Higher Education and Employment Advancement Committee

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Public Hearing

Testimony

By

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Co-Chairs, Ranking Members, and Members of the Higher Education and Employment Advancement Committee, good morning, my name is Michael Kurland. I am the Director of Student Health Services at the University of Connecticut. I am here today to speak in support of *Raised Bill 864 An Act Requiring A Study Of The Use Of Medicaid To Cover The Cost Of Health Insurance For College Students*. I wholeheartedly endorse requiring a study to assess the cost effectiveness of requiring Medicaid to pay the cost of university sponsored health insurance premiums and providing supplemental coverage to medically indigent students enrolled in universities within the state of Connecticut. In fact, I have previously testified in support of two similar bills. I testified before this committee two years ago and before the Human Services Committee last week.

The recent expansion of Medicaid eligibility for college students as well as the implementation of various aspects of the Patient Protection and Affordable Care Act of 2010 (PPACA) has provided us with a unique opportunity to provide comprehensive, portable and cost effective health insurance coverage for a segment of our state's population- uninsured college students. As a result of the legislation, many schools, including the University of Connecticut, have enhanced their university sponsored plans to offer benefits which include, but are not limited to, preventive and essential benefits, mental health parity, elimination of dollar limits and elimination of pre-existing condition clauses. Additionally, many schools including the University of Connecticut and the Connecticut State University system have implemented a "hard waiver" enrollment program, which increases enrollment levels, stabilizes premium rates and allows financial aid funds to be utilized to pay for insurance premiums for eligible students. The purpose of hard waiver programs is to allow students to purchase comprehensive health insurance at attractive rates and to assist in maintaining the health and wellbeing of students and enabling them to remain in school despite the onset of a debilitating accident or illness.

The American College Health Association (ACHA) began exploring issues related to Medicaid coverage, eligibility, portability and use of Medicaid dollars to purchase student health insurance plans (SHIPs) in 2011. The opportunity for states to participate in Medicaid expansion which was projected to result in over 5 million students nationwide meeting Medicaid eligibility raised the importance of the issue for several reasons including recognition that Medicaid may not be the best option for college students given shortcomings in portability and provider network limitations. In Connecticut, a large number of families who have applied for insurance through the healthcare exchange have wound up enrolling in the state's Medicaid program. Because Medicaid typically offers "emergency only" coverage for students studying outside the state, the coverage may not meet benefit criteria for schools that require students to carry health insurance. This is especially problematic for students who are studying

outside of their home state. However, Medicaid covered students studying at in-state institutions that are located in rural areas may also be negatively impacted due to lack of access to mental health providers or specialists.

Through the ACHA, I have been part of a national committee of health service directors which has reviewed the ramifications of Medicaid expansion and its impact upon college students. We have determined that states are permitted by law to use Medicaid funds to purchase SHIPs. States are able to make the determination that an alternate insurance plan can be considered an acceptable option. Section 1905 (a) of the Social Security Act provides a pathway to premium assistance allowing states to enroll Medicaid eligible persons in individual market plans. Additionally, the benchmark benefits statute provides authority to actually enroll people in plans that are deemed to meet the requirements. In doing so, states would have to provide wrap around benefits to ensure cost-sharing is not above Medicaid requirements, ensure that Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits are available to those under 21 and the plan would need to meet the cost-effectiveness requirements that apply to premium assistance. We are currently aware of three states, New York, Montana & Minnesota, that determined it was cost effective for Medicaid dollars to be used to purchase an institution's student health insurance while providing secondary coverage (wrap around coverage) to the student for services not covered by the SHIP. In the case of Montana, payment is issued directly from the state Medicaid office to the institution. In Minnesota, students can petition their state Medicaid Office to pay for the SHIP with the student receiving reimbursement from the state for payment of the plan. There are similar efforts under consideration in California, Kentucky, Ohio, Oregon and Pennsylvania.

In summary, what are the potential benefits of using Medicaid funds to purchase Student Health Insurance Plans (SHIPs) for both the Medicaid eligible student and the state?

- Affordability. Student insurance costs may be lower than Medicaid costs. A comparison must be done between the institution's student health plan coverage and cost compared to the state Medicaid program.
- Improved access to care for low income families using health insurance that is designed to provide comprehensive coverage tailor made to address issues prevalent in the college health population (e.g. mental health, alcohol and other drugs)
- Improved access to local provider networks with reasonable co-payments and deductibles as well as access to worldwide coverage including medical evacuation and repatriation of remains.
- Decreased financial burden and increased access to the medical care system for students who have Medicaid coverage but find that they must purchase a SHIP anyway because the Medicaid plan does not meet the institution's health insurance requirements (e.g. States with Qualified Student Health Insurance Plan (QSHIP) legislation and/or students attending out of state schools) or because they are unable to utilize out of state Medicaid coverage to obtain necessary medical care.
- Decreased burden to state Higher Education Opportunity Programs (HEOPSs) and universities for financial aid costs related to paying for student health plans for low-income students

I strongly urge you to pass this bill and study the impact of using Medicaid funds to pay for Student Health Insurance Plans. I am available to provide whatever assistance is necessary in this endeavor.